29 October 1954

MEMORANDUM FOR: Deputy Director, Administration

: CIA Participation in the Cost of Establishing the NIC SUBJECT

1. Director of Central Intelligence Directive No. 1/2, approved by the IAC on a May 195h, created a National Indications Center (NIC) te support the Watch Committee of the IAC. The Department of the Air Force has been designated by the Office of the Secretary of Defense as the agency to provide administrative support for the MIC, which will be located in the Pentagon.

2. On 1 October, at a meeting of the Assistant Director, Budget, Office of the Secretary of Defense, Comptroller, with representatives of the MIC, it was decided that the costs of establishing the MIC will be shared equally by the Department of the Army, the Department of the Air Porce, the Department of the Navy and the Central Intelligence Agency. It was also decided that the operating costs, except for salaries, will be borne by the Department of the Air Force, as the administrative agent for the MIC, under the principle of single-source budgeting.

	3.	The	cost	of	establishing th	ne NIC is	app	roxim	ately		
					Air Force wil						
Age	ley fo	or pe	ymen	of	approximately		as t	his A	gency '	s share.	

Sillin

NIC

C. P. CABELL Lt. Cen., USAF

		Reputy Director					
	NIC:JJH:avl Distribution: O&l - Addressee		en. 3 ABOVE).				
	2 - Signer -	Estimated total con	t later revise				
25X1	1 - NIC - 2054 Q Bldg.	to of which CIA	's share is				
		The three servi	us each to				
0EV4		pay equal amount,	of at paging				
25X1		an add'll. for ope	rating costs.				
	Approved For Release 2002/	11/13 TA RDP80B0 <del>1676R0011</del> 00020016-3					
,		. ULUMLI	$\sqrt{\chi}m$				
4,	Real Cape	A/T /	0/22017				

25X1

25X1

Exec. Reg. Copy